

Glenaras Drilling Update

18 May 2020

Highlights

- ❖ The Glenaras monitoring well has reached total depth with all Betts Creek coal seams intersected on prognosis.
- ❖ Net coal for the Betts Creek beds is 30m, significantly above the regional average, including excellent development of the R3 coal seam.
- ❖ Pressure data from all major intervals was collected. Analysis of this pressure data is underway, to be combined with further pressure surveys in the Pilot wells which are being conducted this week.
- ❖ Rig released on Sunday, 17th May 2020.

Galilee Energy Limited (ASX:GLL) (“Galilee”) is pleased to provide an update on the drilling operations at its 100% owned and operated Glenaras multi-lateral pilot programme (“Pilot”) located in the Galilee Basin.

The Glenaras 17 vertical monitoring well was spudded on 2nd May 2020. This well is located outside the Pilot area, approximately 150m to the southwest of the Glenaras 15L lateral. A number of drilling difficulties were encountered in the upper section of the hole, at a level significantly above the level of the Betts Creek coals. Following persistent issues, the decision was made to re-drill rather than side-track the well. On 10th May 2020, the rig was skidded approximately 13m from the previous hole centre and Glenaras 17A was spudded at 7pm.

Glenaras 17A was then successfully drilled through to planned total depth, intersecting the full Betts Creek coal section. All coals were encountered on prognosis with excellent development of the R3 coal seam. A total of 30m of net coal was intersected including 3m in the R3 coal seam. A complete set of wireline logs were run, and pressure testing was conducted on key intervals within the Betts Creek section and the Upper Hutton aquifer. Initial data from the pressure testing indicates no depletion from the main aquifer units above the Betts Creek coals but does show depletion over several intervals within the Betts Creek section, with the most depletion over the R3 section. The well has been cased

as a future monitoring well/producing well and the rig was released on Sunday 17th May 2020. Importantly, the Glenaras Pilot continued to run normally throughout the drilling of this observation well.

In conjunction with the pressure data collected from Glenaras 17A, pressure build up surveys within the Glenaras Pilot will also be conducted this week. This full dataset will then be analysed to determine the progress of the Pilot and the forward plan.

Managing Director Peter Lansom stated, “The team executed the drilling under some difficult conditions and did so safely which is of paramount importance, particularly given the added challenges of addressing operational and personnel management during the COVID-19 outbreak. The primary focus of the Company is to now analyse the new data available in order to better understand the Pilot progress and to formulate the next steps”.

In parallel with this work, the programme to seal up the nearby fracture stimulated wells at the legacy Rodney Creek and Glenaras five spot pilots is well underway. This programme is approximately 50% complete and is targeted to be fully completed in the next 2-3 weeks. The primary objective of this work is to seal off the induced fractures within these old wells to inhibit any possible connection/crossflow between sands and coals within the Betts Creek section caused by these legacy fracture stimulation treatments.

Following analysis of all pressure survey data and the impact from the seal up programme at the nearby pilots, the Company will update the market on the forward plan for the Pilot.

For further information contact:

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About Galilee

Galilee Energy is focused on creating a mid-tier exploration and production company building on its core strengths in coal seam gas appraisal and development. Its primary area of focus is Queensland where it is appraising the Galilee and Surat Basins, exploring in the Bowen Basin, whilst looking to add further high quality acreage to its portfolio.

By authority of the Board:

Directors

Chairman – Ray Shorrocks

Managing Director – Peter Lansom

Non-Executive Director – Dr David King

Non-Executive Director – Stephen Kelemen

Non-Executive Director – Gordon Grieve